GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3971
ANSWERED ON:09.08.2002
FUNDS FOR PANCHAYATI RAJ
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) the funds recommended by the Tenth Finance Commission for providing them to the Panchayati Raj institutions in Bihar;

(b) the funds released by the Union Government to the above State for this purpose;

(c) whether all of the funds allocated have been released to the above State;

(d) if so, the details thereof and if not, the reasons therefor;

(e) whether the remaining funds are likely to be released by the Union Government; and

(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT G. GEETE)

(a) to (f): The Tenth Finance Commission (TFC) had recommended total grants of Rs. 507.19 crore to Bihar for Panchyati Raj Institutions (PRIs) for the period 1996-97 to 1999-2000. PRI grants amounting to Rs. 126.80 crore had been released to the State Government during 1996-97.

As per the guidelines issued by Ministry of Finance, the Local Body Grants recommended by the TFC was part of a larger Constitutional scheme of devolution of functions & responsibilities from the State to local bodies with mandatory elections so that they could function as effective units of local self-government. Hence, the grants were to be released only in respect of elected local bodies wherever such elections were mandatory under the Constitution. Since the due elections to PRIs in Bihar had not been held during the TFC period 1995-2000, balance of TFC grants could not be released to the State Government. Entitlements to grants recommended by any Finance Commission lapse after the period of its recommendations get over.